

Mayor
David A. Patriarca

Business Administrator
Dennis Gonzalez



Council Members
Jason Allen
Gaye Burton
Donovan Gardner
Elisabeth McCartney
Norma Trueblood

June 5, 2019

Norma Trueblood, Council President
Township of Pemberton
500 Pemberton-Browns Mills Road
Pemberton, New Jersey 08068

Re: Response to PTMUA Inaccurate Mailing to TWP residents

Dear Council President Trueblood:

I have attached for Council review and consideration a copy of a mailing from the Pemberton Township Municipal Utilities Authority (PTMUA) to Township residents. The purpose of this letter address is to respond to the falsehoods contained in said mailing, to express disappointment that the PTMUA is politicizing an issue of government management and efficiency, and to question the use of funds collected from PTMUA customers for propaganda.

First, the mailing asserts that the Township does not employ persons with experience and the appropriate licensures to operate a sewage utility. As we have stated publicly on several occasions, and as we have assured the Director of Local Government Services, Melanie Walter during a meeting on May 16, 2019, in the event the PTMUA is dissolved, the Township will offer employment to all PTMUA staff other than the Administrator of Administration and the Administrator of Operations, which we consider an unnecessary expense under the Township's management structure. Moreover, it appears that the PTMUA has failed to read the Township's application to the Local Finance Board which clearly states that the Township "will retain the staff of the PTMUA, apart from certain duplicative administrative roles".

Second, the mailing states that the Township will transfer \$4,344,100 in reserve funds (held and unused by the PTMUA for many years) to government accounts other than for sewage treatment and conveyance. Again, it is clear that the PTMUA has not read the Township's application for dissolution, which clearly states, in pertinent part, that "[t]he Township is amenable to a condition that requires the Township to dedicate all such monies [in the form of reserves currently held by the PTMUA] toward a system-wide engineering evaluation, a long-term plan for capital improvements, and the award of contracts for the consideration of said improvements." During the Township's May 16, 2019 meeting with Director Walter we reiterated that the Township Administration desired that any Local Finance Board approval contain said condition. This position has been relayed to the public during recent council meeting.

Third, the mailing alleges that "[a]uthority assets could be sold to private entities if Township's plan fails". This transparent fearmongering is unseemly and patently false in several respects. We believe in the strongest terms that water and sewer utilities must remain in government ownership as stewards of public health

and wellbeing. In addition, we believe that the officials who manage and operate public utilities must be subject to the oversight of Township voters at elections. Unlike the Township Mayor and Council Members who perform their duties only when selected by voters, PTMUA Board Members are not subject to the oversight of Township voters during elections. Moreover, the PTMUA demonstrates that it has no understanding of the laws under which municipalities operate with respect to the sale of assets and the oversight of public utilities by State of New Jersey agencies.

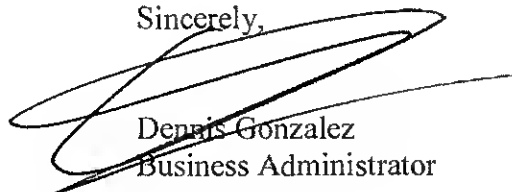
Fourth, the PTMUA extolls the virtue of 50 years of experience but fails to tell Township residents that 39 years ago they were unable to meet their management and financial obligations to the residents of the Township, and had to be bailed out by the Township with the consent of the Local Finance Board. The PTMUA fails to acknowledge that the bail out by the Township in 1980 included the sale of all PTMUA real and personal assets (except for vehicles and sewer receipts) to the Township with the Township leasing said assets back to the PTMUA for the management of the sewage utility. It is noteworthy that the transfer of assets explicitly includes all purchases of real and personal property during the 40 year term of the lease (other than vehicles). In sum, the Township owns the PTMUA assets not the PTMUA.

Fifth, the PTMUA claims it has no debt. The truth is that 40 years ago it was effectively bankrupt. The truth is that the Township's debt includes the monies borrowed by the Township to bail out the PTMUA in 1980. The truth is that the PTMUA is indebted to the Township for annual payments of \$575,640. And the truth is that without the responsible borrowing of the Township government there would be no roads paved, the lakes would be drained due to failing dams, parks would not have been constructed, there would be no new Presidential Lakes Firehouse and Community Center, and the Township's water systems would have been neglected and in dire need of infrastructure improvements just like the PTMUA is today. The residents of the Township deserve much better, and will get much better from this Mayor and Council.

Sixth, the important question as to the PTMUA reserves of \$4,344,100 is not that the PTMUA finally says it intends fund improvements. The critical question is, why has the PTMUA been charging residents just to keep their funds in the bank instead of making annual investments in the system infrastructure? What has the PTMUA been waiting for? The Township begins the process of dissolving the PTMUA and the PTMUA now decides to present a capital plan.

Seventh, why did the PTMUA just spend in excess of \$2,000 of public funds to mail a postcard to Township residents misrepresenting the facts about the Township's application?

Sincerely,



Dennis Gonzalez
Business Administrator

Cc: David A. Patriarca, Mayor
Amy P. Cosnoski, Township Clerk
Andrew Bayer, Township Solicitor
Stephanie Cuthbert, Remington & Vernick Engineers
Jennifer Rivera, PTMUA Administrator of Administration
Corinne Kemp, PTMUA Board Chair
Robert L. Bailey, PTMUA Board Secretary
Adrienne B. Leonard, PTMUA Board Treasurer
Donna Lefebvre, PTMUA Board Asst. Secretary
Kara C. Schnure, PTMUA Alternate Board Member #1
Dan Hullings, PTMUA Alternate Board Member #2

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